

## TAXATION

Table 205.-- Fund Requirements for Most and Least Favorable Schedules and Range of Rates for Those Schedules <u>1/</u>						
	Most favorable schedule			Least favorable schedule <u>2/</u>		
		Range of rates			Range of Rates	
States	Fund must equal at least	Min.	Max.	When fund balance is less than *****	Min.	Max. <u>1/</u>
AL	125% of desired level <u>7/</u>	0.2	5.4	70% of desired level <u>7/</u>	0.65	6.8
AK	Reserve multiple equals 3.0 <u>7/</u>	1.0	6.5	Reserve multiple less than .33% <u>7/</u>	1.0	6.5
AZ	12% of payrolls	0.05	2.6	3% of payrolls	2.85	5.4
AR	More than 5% of payrolls	0.0	5.9	2.5% of payrolls	0.1	6.0
CA	1.8 of payrolls	0.1	5.4	.8% of payrolls	1.3	5.4
CO	\$450 million	0.0	5.4	0 or deficit	1.0	5.4
CT	More than 8% of payrolls <u>2/</u>	0.5	5.4	.4% of payrolls <u>2/</u>	0.5	5.4
DE	Not specified	0.1	8.0	Not specified	0.1	9.5
DC	3.0% of payrolls	0.1	5.4	.8% of payrolls	1.9	7.4
FL <u>5/</u>	More than 5% of payrolls	0.0	5.4	4% of payrolls	0	6.4
GA	5% of payrolls	.025	5.4	3% of payrolls	.025	5.4
HI	1.69 x adequate reserve fund	0.0	5.4	.2 x adequate reserve fund	2.4	5.4
ID	5% of payrolls	0.1	5.4	1.5% of payrolls	2.4	6.8
IL	<u>8/</u>	0.2	6.4 <u>8/10/</u>	<u>8/</u>	0.2 <u>8/</u>	6.4 <u>10/</u>
IN	3% of payrolls	0.2	5.4	1.5% of payrolls	1.2	5.7
IA	<u>Current reserve fund ratio</u> highest benefit cost rate	0.0	7.0	<u>Current reserve fund ratio</u> highest benefit cost rate	0.0	9.0
KS	5% of payrolls	0	5.4	1.5% of payrolls	.025	7.4
KY	\$350 million	.157	9.0	\$150 million	1.0	10.0
LA	Not specified	0.09	6.0	Not specified	0.3	6.0
ME	Reserve multiple of over 2.5	0.5	6.4	Reserve multiple of under .45	2.4	7.5
MD	7.4% of payrolls	0.1	7.5	2.8% of payrolls	2.0	9.5
MA	3% of payrolls	0.6	6.5	.8% of payrolls	3.4	9.3
MI	Not specified	0.0	8.0	Not specified	1.0	10.0
MN	\$300 million	0.1	8.9	\$200 million	0.6	8.9
MS <u>3/</u>	*****	0.1	5.4	4% of payrolls	0.1	5.4
MO	\$600 million	0.0	5.4	\$300 million	0.0	8.7
MT	2.6% of payrolls	0.0	6.4	.5% of payrolls	1.7	6.4
NE	<u>4/</u>	***	5.4	<u>4/</u>	***	5.4

(Table continued on next page)

Table 205.-- Fund Requirements for Most and Least Favorable Schedules and Range of Rates for Those Schedules <u>1/</u> (continued)
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States	Most favorable schedule			Least favorable schedule <u>2/</u>		
	Fund must equal at least	Range of rates		When fund balance is less than *****	Range of rates	
		Min.	Max.		Min.	Max.
NV	Not specified	0.3	5.4	Max. annual bens. payable	0.3	5.4
NH	\$110 million	0.05	6.5	<u>6/</u>	2.8	6.5
NJ	10% of payrolls	0.3	5.4	2.5% of payrolls	1.2 <u>9/</u>	7.0
NM	3.4% of payrolls	0.05	5.4	1% of payrolls	2.7	5.4
NY <u>2/</u>	5% of payrolls	2.4	5.9	0% of payrolls	5.2 <u>5/</u>	8.9 <u>5/</u>
NC	9% of payrolls	0.0	5.4	2.0% of payrolls	0.0	5.4
ND	25% of total bens. paid in last 12 months	.1	5.4	25% of total bens. paid in last 12 months	.1	5.4
OH <u>7/</u>	30% above min. safe level	0.1	6.5 <u>9/</u>	60% below min. safe level	0.1	6.5 <u>9/</u>
OK <u>2/</u>	More than 3.5 x bens.	0.1 <u>12/</u>	5.5 <u>12/</u>	2 x avg amount of bens. paid in last 5 yrs.	0.5	5.5
OR <u>11/</u>	200% of fund adequacy percentage ratio	0.5	5.4	Fund adequacy percentage ratio less than 100%	2.2	5.4
PA	<u>4/</u>	0.3	5.4	<u>4/</u>	Not specific	9.2
PR	\$589 million	1.0	5.4	\$370 million	2.5	5.4
RI <u>2/</u>	6.4% of total payrolls	0.6	7.0	2.75% of total payrolls	1.9	10.0
SC	3.5% of payrolls	0.19	5.4	2.5% of payrolls	1.24	5.4
SD	More than \$11 million	0	7.0	\$5.5 million	1.5	10.5
TN	\$750 million	0.0	10.0	\$300 million	5.0	10.0
TX	2% of taxable wages for 4 CQ's ending preceding June 30	0.0	6.0	1% of taxable wages for 4 CQ's ending preceding June 30 or \$400 million	0.0	6.0
UT	Reserve factor calculation equals 0.5	0.1	8.1	Reserve factor calculation equals 2.0	0.1	8.1
VT <u>7/</u>	2.5 x highest ben. cost rate	0.4	5.4	1.0 x highest ben. cost rate	1.3	8.4
VA <u>2/</u>	1.39% of payrolls	0.0	5.4	less 0.58% of payrolls	0.3	6.4
VI	*****	0.1	9.5	*****	0.1	9.5
WA	3.4% of payrolls	0.47	5.4	1.4% of payrolls	2.47	5.4
WV	1.75% of gross covered wages	0.0	8.5	3.0% of gross covered wages	1.5	8.5
WI	\$1 billion	0	8.9	\$300 million	0.27	8.9
WY	More than 5% of payrolls	0	5.4	\$.0% of payrolls	0.0	8.5 <u>9/</u>

(Footnotes for Table 205 on next page)

(Footnotes for Table 205)

1/See also Table 206.

2/Payroll used is that for last yr. except as indicated: last 3 yrs., CT; average 3 yrs., VA; 3-yr. average, RI, or greater, NY. Benefits used are last 5

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yrs., OK.

3/In MS, variations in rates based on general experience rate and excess payments adjustment rate.

4/No requirements for fund balance in law; NE; rates set by agency in accordance with authorization in law, PA.

5/Fund requirement is 1 or 2 of 3 adjustment factors used to determine rates. Such a factor is either added or deducted from an ER's benefit ratio, FL. In PA, reduced rates are suspended for ERs whose reserve account balance is zero or less. 0.1 to 1.5% according to a formula based on highest annual cost in last 15 yrs.; in NY, and PA, 0.1 to 1.0%.

6/Higher rate schedule used whenever benefits charged exceeds contributions paid in any year, NH.

7/Desired level in AL is 1.4 x the product of the highest payrolls of any 1 of the most recent preceding 3 FYs multiplied by the highest benefits payroll ratio for any 1 of the 10 most recent FYs. ERs rate is 80% of the average benefit cost rate multiplied by the ER's experience factor, AK. Adequate reserve fund defined as 1.5 x highest benefit cost rate during past 10 yrs. multiplied by total taxable remuneration paid by ERs in same yr., HI.

Minimum safe level defined as an amount equal to 2 standard deviations above the average of the adjusted annual average weekly unemployment benefit payment from 1970, to the most recent CY prior to the computation date, OH. Highest benefit cost rate determined by dividing: the highest amount of benefits paid during any consec. 12-month period in the past 10 yrs. by total wages during the 4 CQs ending within that period, VT.

8/For every \$50 million by which the fund falls below \$750 million, State experience factor increased 1%, for every \$50 million by which the fund exceeds \$750 million, State experience factor reduced by 1%, but the experience factor may not be increased by more than 10%, IL.

9/Max. possible rate same as that shown except in WY 1.5% may be required. Excluding adjustments of 0.2% if fund is 30% above min. safe level and an increase of 0.2% plus a calculated % if the fund is below the minimum safe level, OH.

10/Maximum contribution rate is the greater of 6.4% or the product of 6.4% and the adjusted State experience factor, IL.

11/In the first quarter of each off numbered year the least favorable schedule will range from 2.17 percent to 5.4 percent and the most favorable schedule will range from 0.47 percent to 5.4 percent; however, in 1996 the min. contribution rate in the most favorable schedule will be 0.25 percent and in the least favorable schedule 1.95 percent, OR.

12/For the period July 1, 1998 to December 31, 2001 an ER's contribution rate will be reduced by 50%, provided the rate not fall below 1.0%; ER's who qualify for an earned rate of 5.5% will pay 5.4%; ERs who earned a rate of 0.1 percent will pay 0.0 percent, OK.